



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO

CAI

MAR - 7 2000

Mr. Morley Winograd
Director
National Partnership for Reinventing Government
750 17th Street, NW, Suite 200
Washington, DC 20006

Dear Mr. Winograd:

In your January 21, 2000 memorandum, you asked each agency to prepare an improvement strategy addressing issues raised by the 1999 Employee Survey. The Assistant Secretary of Defense, Force Management Policy, requested that we work directly with your office on development and submission of our draft plan. Accordingly, my representative attended the February 22, 2000 workshop on improvement strategy development, and I was briefed on the survey results by your staff on February 25, 2000.

I have enclosed our draft DLA agency improvement plan. This plan was developed in conjunction with my staff, and our union partnership council (the DLA Council of AFGE Locals) has been invited to offer its comments. Our plan will be further developed as my Executive Management Team considers the key issues raised by the survey. Agency managers will be discussing the survey results and next actions at our next Senior Leadership Conference scheduled for March 22-24, 2000.

Sincerely,

HENRY T. GLISSON
Lieutenant General, USA
Director

Enclosure

cc:
USD (AT&L)
ASD (FMP)



**DEFENSE LOGISTICS AGENCY
DRAFT 1999 EMPLOYEE SURVEY IMPROVEMENT STRATEGY**

February 28, 2000

KEY SURVEY FINDINGS

Background

The Defense Logistics Agency (DLA), formed in 1961 as the Defense Supply Agency, initially managed consumable items of supply, the Federal Supply Catalog, the DoD industrial plant equipment reserve, and the surplus disposal program for the Military Services. Today, DLA has evolved into a large-scale logistics combat support agency with a broader mission and a direct working relationship with the combatant commands overseas. DLA works daily to put best-value supplies, clothing, materiel and equipment, weapon systems repair parts, and logistics services wherever, in the world, they are needed by America's warfighters. The current Director of DLA, LTG Henry T. Glisson, USA, was quoted in the November/December issue of the *Dimensions* magazine: "We have supported every war, every major contingency, every humanitarian relief operation, every theatre of operation where our sailors, airmen, soldiers, and marines have been deployed. DLA is represented all over the world as an integral part of the warfighting team."

DLA and its subordinate elements have made regular use of employee surveys as a means of assessing organizational climate and identifying possible areas for improvement. Major agency-wide employee attitude surveys were conducted in 1992, 1996, and 1998, with another planned for 2000. Customer surveys have been conducted regularly by the Defense Logistics Support Command (DLSC) since 1994. Special employee and customer/stakeholder surveys were conducted early in 1999 in preparation for the 1999 Strategic Planning Summit. The Defense Contract Management Command (DCMC) operates a DCMC Customer Outreach Program encompassing on-site customer liaison representatives, monthly telephone surveys, postcard trailer cards, customer service standards, and customer visits. Customer issues and satisfaction trends are published annually on the home page in a customer profile report. DCMC also developed and deployed an internal customer system (ICS) in March-May 1997, an employee survey and action process based on the President's Quality Award criteria. DCMC achieved an 85-percent response rate in 1997. Areas for improvement have been identified within each contract administration office, district, and headquarters. Progress on a set of mandatory areas for improvement within DCMC is tracked on a quarterly basis.

The 1999 employee survey, conducted under the auspices of the National Partnership for Reinventing Government, was sent to 750 randomly selected DLA employees. Responses were submitted anonymously by 289 employees to the 32

questions covering issues such as the existence of agency goals, the bases for rewards and recognition, employees receiving the training they need to do their jobs, differences among individuals being respected, and overall employee satisfaction with their jobs. In terms of overall job satisfaction, DLA had higher favorable responses than the Governmentwide average and the three largest military departments. The DLA favorable response rate of 61 percent was only 1 percent below the rate for private industry used as the benchmark for this study.

The DLA Headquarters Planning Team (CAIC) and DLA Office of Operations Research and Resource Analysis (DORRA) reviewed the survey response data. The responses to only three of the questions in the 1999 survey show a statistically significant change from 1998. (Significance was computed at the 95-percent confidence level using the large sample confidence interval for p_1-p_2 .) The low response size of both surveys makes it difficult to discern differences between the yearly results.

The questions with significantly different responses are:

No.	Question	Difference
16	My organization has made reinvention an important priority.	Positive
17	In the past 2 years, the productivity of my work unit has improved.	Negative
21	Management and the union(s) work cooperatively on mutual problems.	Positive

DLA Office of Operations Research and Resource Analysis

While the DLA responses for question 17 are still above the Governmentwide average, the marked decline in favorable ratings percentage demonstrates an indication that this is potentially an area for improvement for the Agency.

Areas Where the Agency is Doing Well

DLA employees are most satisfied (above the Governmentwide average) in the areas represented by 18 of the 32 questions posed in the NPR 1999 employee survey.

DLA has made reinvention an important priority. The DLA employee responses to question 16 in the survey are significantly more favorable than the Governmentwide average (45 percent favorable for DLA in comparison to the Governmentwide average of 35 percent). DLA employees are aware of the agency's activities in support of the NPR. The DLA NPR Team was established in October 1993. DLA teams have received 57 Hammer Awards as of January 31, 2000. Part of our celebration of these awards includes a Hammer Award display next to the DLA Museum on the second floor of the Headquarters Complex building. DLA established an internal re-engineering award nomination and presentation process in December 1995. A total of 66 of these "Scissor" Awards has been approved so far. DLA has also provided a number of

successful contenders for the President's Quality Award Program. DCMC New York and DCMC Twin Cities were recognized as 1999 winners.

The survey results show a significant improvement with the 14 percent increase in favorable responses to the question concerning management/union cooperation in DLA (from 33 percent in 1998 to 47 percent in the 1999 survey). The Governmentwide average for 1999 on that question is 34 percent. Many of our field activities have successful labor-management partnerships at various levels of their organizations. For example, DLA management representatives and the American Federation of Government Employees Council 169 of DLA Locals finalized a partnership agreement in June 1998, covering approximately 25,000 bargaining unit employees in DLA, that provides a joint foundation for achieving DLA's business objectives and addressing employee concerns. This agreement superseded the DLA-AFGE Partnership Council Agreement dated June 20, 1994.

Pamela Creek, DLA's Executive Director of Human Resources, stated, "DLA and AFGE have ushered in a new and exciting era in partnership with the finalization of our partnership agreement. In fact, our "purpose" statement is the keystone of the new agreement, and it best states that relationship." The purpose of that agreement states: *"A new relationship between AFGE and DLA, as partners jointly committed to achieving the success of DLA as an organization, employer, and service provider, is essential for continued survival and growth in the coming years. This collaborative labor-management relationship is committed to the open sharing of information at the earliest pre-decisional stage, thereby engendering mutual trust and respect to better serve our employees, implement the DLA Strategic Plan, and attain AFGE goals. Our relationship provides an opportunity to influence change while addressing employee concerns."*

Areas of Greatest Concern

DLA employees are least satisfied with particular support functions (travel, hiring); the bases of awards (merit factors, rewards for creativity/innovation); and performance management (corrective actions when standards not met, definition of good performance). A list of the 12 most significant questions, in terms of the relationship between those aspects of organizational life and overall employee satisfaction, appears in the table below. These questions are most highly correlated with the answer to question 28 (overall employee satisfaction). These drivers of overall employee satisfaction are selected based on the DLA-specific data and differ slightly from those selected as Governmentwide predictors.

No.	Question	Correlation w/ Overall Satisfaction
5	At the place I work, my opinions seem to count.	0.61
10	Recognition and rewards are based on merit.	0.57
31	Overall, how good a job do you feel is being done by your immediate supervisor/team leader?	0.54
15	Supervisors/team leaders understand and support employees' family/personal life responsibilities.	0.53
27	Is the use of plain language writing being emphasized in your workplace?	0.53
6	A spirit of cooperation and teamwork exists in my immediate work unit.	0.51
7	Teams are used to accomplish organizational goals, when appropriate.	0.50
12	Employees receive training and guidance in providing high-quality customer service.	0.49
32	How would you rate the overall quality of work being done in your work group?	0.48
3	Managers communicated the organization's mission, vision, and values.	0.48
20	Corrective actions are taken when employees do not meet performance standards.	0.42
13	Employees receive the training they need to perform their jobs.	0.41

DLA Office of Operations Research and Resource Analysis

The potential areas for improvement for DLA were identified by considering the above 12 drivers of satisfaction, the 7 questions with the least favorable responses, and the 1 question with the greatest degradation in the level of favorable responses since the 1998 survey. These proposed eight areas for improvement are represented by the following 1999 survey questions:

Areas for Improvement

- 10. Recognition and awards are based on merit.***
- 20. Corrective actions are taken when employees do not meet performance standards.**
- 13. Employees receive the training they need to perform their jobs.**
- 11. Creativity and innovation are rewarded.***
- 25. Are you clear about how "good performance" is defined in your organization?***
- 22. Has your organization implemented simplified travel regulations?**
- 23. Has your organization streamlined the process for hiring employees?**
- 17. In the past 2 years, the productivity of my work unit has improved.**

Three of these items were also identified in our review of the 1998 employee survey results (identified by * - questions 10, 11, and 25). The most beneficial areas to improve for DLA are associated with the first 5 (questions 10, 20, 13, 11, and 25 above in italics on the preceding page).

IMPROVEMENT STRATEGY

Immediate Action Steps

Survey results will be presented to DLA management at the Senior Leadership Conference scheduled for March 22-24, 2000. Senior managers will be tasked to brief all subordinate levels in their organization using chain teaching to provide the results of the survey to employees. DLA results will be available on the Agency web site, <http://www.dla.mil>.

A series of employee focus groups will be designed and executed during 2000 to better identify for DLA management, the institutional processes which affect employee satisfaction, and to develop potential actions for changes to DLA policies or practices (particularly those which have had a negative impact on employee satisfaction).

DLA has committed to investing 1.5 percent of payroll costs in targeted training and development that will prepare the employees for the job demands they face now and will face in the future. Each employee will receive at least 40 hours of training per year in areas keyed to developing job requirements. The Agency has introduced new approaches to assure that this training is in the high impact areas that will make a difference in acquisition reform.

DLA has established a Workforce Replenishment Team to develop an agency strategy for sustaining and replenishing a "right-skilled" workforce enabled to effectively perform the business processes of the 21st century. The team's initial report is scheduled to be completed by the end of March 2000, and by the end of the year, the Agency will hire the first cadre of new employees under an Agency corporate centralized intern training program.

DLA is presently in negotiation with AFGE Council 169 on the agency performance management regulations. These regulations currently emphasize supervisory responsibility to involve employees in the development of performance plans and communicate, at least twice a year, to employees their performance in meeting the standards. DLA is also working with a contractor to develop and deliver supervisory training. One of the major program areas of the training is performance management and supervisors' responsibility to define for their employees what fully successful performance is in their organization.

In order to streamline the recruitment process in DLA, the Agency is in the process of testing and fielding RESUMIX, an automated recruitment and staffing tool. We anticipate having it fully operational for all non-bargaining unit positions by the end of FY 00.

The DLSC has already developed career planning guides for the major occupations in its workforce and has made those guides available on the DLSC Workforce Development home page.

On-line computer based training and satellite training courses are available to the DLA workforce. Satellite equipment is being installed throughout DLA at approximately 29 locations.

For FY 00, DLSC has budgeted almost 2 percent of gross payroll for training and education for their workforce. For FY 00, five additional CBT/satellite courses have been identified for development.

DLSC has also instituted a regular survey program to gather customer feedback throughout the year (2-4 times). Two will be conducted in 2000. The surveys measure common satisfaction issues as well as issues that are only applicable to particular field activities. The results are analyzed by an independent contractor who also provides general recommendations for improvement. DLSC provides these analyses to its field activities through a survey team, which is made up of members of each DLSC PLFA. The team recently approved a Survey Action Plan, which will formalize even wider dissemination of results so employees throughout the command are aware of the major drivers of customer satisfaction. It also calls for results and strategies for improvement to be more widely disseminated back to customers via the web and through DLSC publications.

DCMC has increased management focus on Defense Acquisition Workforce Improvement Act (DAWIA) training requirements and has established certification goals for field activities. On-line computer based training is being used. DCMC has established a specific performance goal to achieve a benchmark standard of 40 training hours per year per employee. DCMC will advertise the availability of its tuition assistance program and encourage employee use of the program.

The DLA Quality of Life Program for employees provides a range of services from the physical environment of an office work place to the programs available to help employees through difficult family situations. DLA quality of life programs include child care; youth services; elder care; family centers; family advocacy; transition assistance; relocation assistance; family member employment; morale, welfare and recreation; information, ticket, tours; leisure travel; and lodging. A program plan was published in the fall of 1999 outlining long-term strategies. Construction will be completed on a new child care facility at Defense Supply Center Richmond in 2000.

Agency awards program policy will be reviewed during 2000. DLA regulations (Directive and Instruction 1432.1) were revised in 1998 and will be updated during 2000 to reflect changes in departmental policy. The limit on the amount of cash award allowable for on-the-spot awards was recently increased.

In May of 1999, the Office of Counsel, Defense Supply Center Richmond, initiated a pilot project to improve the administration of performance awards for attorneys. An award plan was developed, primarily for sustained superior performance awards. Individual attorney customers are surveyed for their input on the award factors. The initial response from customers and attorneys has been enthusiastic, and this pilot program is now ripe for export to other DLA activities during 2000. Each attorney's performance is rated on:

- customer service (thoroughly researched and well-written opinions)
- effectiveness of representation (positive results through litigation and settlement)
- support for DLA initiatives (ADR, contributions to OGC legal practice groups)
- leadership exercised within the PLFA Office of Counsel (becoming a subject matter expert and mentor in a particular subject area or program)

Long Term Strategy

The DLA Strategic Plan is the single overarching Agency strategy document directing Agency business endeavors. It aligns DLA activities, programs, and initiatives with the goals and priorities of the Department of Defense. The DLA Strategic Plan is a top-down planning document, a product of the Director's deliberation with his Executive Management Team. Field activities, union partners, employees, customers, and stakeholders have input to the DLA Strategic Plan via conference participation, survey instruments, and interviews. The DLA Performance Contract between Defense Management Council and DLA contains programmatic metrics compatible with Agency strategic goals in the categories of unit cost and productivity, quality and customer responsiveness, and reengineering actions. Agency goals are communicated to the employees through the publication of the plan in paper and electronic form (including availability on the agency internet site, <http://www.dla.mil>), and through plan summary cards that are designed to be worn with each employee's identification badge. LTG Glisson stresses the setting of meaningful goals: "DLA is committed to effective implementation of the Government Performance and Results Act of 1993 (GPRA): setting goals, accountability for results, measuring performance, and reporting on progress. We are committed to implementation not just because it's the law but because it makes good business sense. GPRA propels us to manage outcomes and not just budgets."

Goal 3 in the DLA Strategic Plan 2000 states: "Ensure our workforce is enabled to deliver and sustain world class performance." There are three objectives under that goal:

- Invest in the workforce to ensure we have the knowledge-based skills and tools to succeed
- Implement a long-range strategy to sustain our workforce
- Foster a positive work environment.

Quality of life activities remain part of the DLA long-term strategy for employee satisfaction. Specific planned actions include the completion of a modern child development center at Defense Depot Susquehanna Pennsylvania during 2001 and a new fitness facility at Defense Supply Center Columbus in 2003.

DoD Morale, Welfare and Recreation (MWR) programs directly support the well-being and morale of the DLA workforce. Some of the current MWR programs that DLA supports include fitness facilities, health services, recreational areas and programs, and special services that include discounted tickets, tours, and intramural athletics. Program cost is funded, in accordance with regulatory guidance, by employee usage fees and employer subsidies. In line with DoD's outsourcing initiative to procure quality service at competitive prices, many MWR program services are provided by local and national contract vendors. Additionally, the creation of the One Fund, which consolidated installation non-appropriated funds, resulted in a first year twenty-fold increase in retained income for the DLA MWR programs.

The Director of DLA, LTG Henry T. Glisson, has said that DLA has stepped up to the challenge of responding to the work and family needs of both the civilian workforce and the military members and their families. "Major initiatives are occurring throughout the Agency in a variety of quality of life programs," he said. "Together, with the extensive array of work and family policies and programs, DLA is clearly offering strong support to its workforce." According to Pamela Creek, Executive Director of the DLA Office of Human Resources, "The DLA senior leadership has long recognized that our workforce is its most vital resource. DLA is dedicated to providing strong and effective leadership in areas that contribute to a family friendly environment." "The programs we administer represent a partnership between DLA corporate policy, management, and personnel and directly impact the successful accomplishment of the DLA mission."

DLA will undertake a review of performance management-related employee concerns and practices. The review will consider how to establish linkage of organizational objectives to performance plans, the state of performance standards and the effectiveness of the processes for communicating expectations and providing feedback to employees, the performance bases for awards, and the opportunities for the application of team evaluation techniques. Legislation and policy changes from the Office of Personnel Management, Office of the Secretary of Defense, and guidelines from the President's Management Council will also shape this review.

Awards for DLA teams will continue to be part of the Agency annual program.

The DLSC uses a customer communications team to gather customer feedback through the survey, focus groups, reports from customer representatives and various other mechanisms and also to provide information to customers through a communications program that includes:

- Customer information vehicles such as *Loglines*, the DLSC customer newsletter; the DLSC Customer Assistance Handbook, the DLSC home page, and an automated list server to provide information directly to customers' email in-boxes

- Training programs such as an annual Customer Workshop and Expo which targets more than 600 customers each year, customer training courses at customer sites and in customer service schools, and computer-based training modules designed to be adaptable for different kinds of customer groups
- Centralized call centers at most PLFAs that are the customers' central line of inquiry and problem resolution. These are all tied together in a toll-free line available to customers. These call centers are using improved tracking software to better monitor customer accounts and anticipate their inquiries.

DLA will pursue benchmarking best practices in employee satisfaction with those other agencies with high favorable response rates in those areas in which DLA performance should improve.

STATEMENT OF COMMITMENT

In his testimony on March 17, 1999, the Director noted that “DLA has been a leader in all of the Department’s reform efforts – especially acquisition, logistics, and resource management reforms. We have been aggressive in changing the ways we do business; streamlining organizations; maintaining current worldwide support of readiness and operations; and building partnerships, processes, and capabilities for future world-class logistics support to America’s warfighters.”

LTG Glisson, in his opening remarks in the DLA Quality of Life Plan, observes:

“The Defense Logistics Agency’s most important resource is its employees. In recognition of this fact, DLA’s leadership has recognized that quality of life is one of our strategic objectives in that it is essential to employee capability for innovation, dedication to common values, and commitment to excellence. We pledge to respond to employee needs by making work and living conditions as functional, comfortable, and attractive as possible and by creating an environment that fosters professional growth and facilitates the change necessary to meet the challenges of the 21st century. Through our many programs and services, as well as through embracing the Agency ethos and values, we strive to continually enhance the quality of life of every Team DLA member. There is no more important leader responsibility.”

OTHER INFORMATION

One of the primary concerns of LTG Henry T. Glisson, DLA Director, is the constant improvement of the working conditions and welfare of DLA employees of the HQC. As part of his program, LTG Glisson formed DLA Team Morale, an organization of volunteers that he co-chairs with the President of Union Local 2449. Team Morale identifies issues and provides feedback on quality of life initiatives. The organization was formed November

18, 1997, and has 27 volunteers from all business areas. Working in coordination with the AFGE Local 2449 and the DLA Executive Management Team, Team Morale closed out approximately 60 issues designed to enhance employee morale and improve the quality of life for DLA employees at HQC. Team Morale provides another direct channel of communication for employees. Completed Team Morale actions include extension of fitness center hours, establishing an HQC shuttle bus to the Springfield metro, providing closed captions on TVs in the atrium, and the establishment of an annual DLA Organization Day.

CONTACT FOR MORE INFORMATION

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